

Commercial

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Advertiser.

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HONOLULU, HAWAIIAN ISLANDS, JUNE 7, 1884.

Whole No. 1475.

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BY AUTHORITY.



At a meeting of His Majesty's Cabinet Council held to-day, the following resolutions were passed: Resolved, That the Minister of Finance be and he is hereby authorized to receive the payment of the gold coin, according to the Customs Duties in United States of June, 1884, in law, on and after the 1st day of June, 1884.

AS. T. KAPENA,
Minister of Finance.
Treasury Department, Honolulu, June 7, 1884.

Walter Joy is this day appointed agent to take acknowledgment of Labor Contracts for Paauilo, District of Hawaii, resigned.

AS. T. GULICK,
Minister of Interior.
Honolulu, May 23, 1884.

Department of the Interior.

S. R. Hays is this day appointed District Judge of the District of Lihue.

N. NAANAO,
Governor of Kauai.

Office of the Governor of Kauai, Lihue, Kauai, May 10, 1884.

Henry Smith is this day appointed Commissioner of the District of Kauai.

There were also deceased Mr. Girdwood, T. GULICK, J. C. H. Judd, Minister of the Interior.

glary is still in May 21, 1884.

Department of the Interior.

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KAUAI.

19 Jas B Grant, Kapaa
21 Chee Ling, Hanalei

VICTUALING.
1 Awana, Makawao, Maui
5 J R Mills, Honokaa, Hamakua, Hawaii
7 Abou, Waihee, Maui
20 Cheu Sing Wo, Wailuku, Maui
23 Koki, Waihee, Hawaii
23 Awana, Wailuku, Maui
25 C Samlung & Co, Olowalu, Lahaina
26 Lin Chun Chow, Maunakea street, Honolulu

WHOLESALE.
Castle & Cooke, King street, Honolulu
7 Claus Spreckels, Kahului, Maui
7 T H Hobron, Kahului, Maui
19 L Atmark, Beaver Block, Honolulu
19 E Hoffschlaeger & Co, Queen street, Honolulu
20 M S Grinbaum & Co, Queen street, Honolulu
22 G W Macfarlane & Co, Queen street, Honolulu
25 E S Rothchild, Beaver Block

PEDDLING.
4 J G Macdon, Kingdom
5 Wm Maxwell, Kingdom
26 E C Winston, Kingdom

CAKE PEDDLING.
5 Gip Cheong, Kingdom
9 Ahming, Kingdom

WHOLESALE SPIRIT.
22 G W Macfarlane & Co, Queen street, Honolulu

BUTCHER.
1 K. Shord, Wailuku, Maui
1 John Cox, Wailuku, Maui
1 Young Hee, Wailuku, Maui

PORK BUTCHER.
4 Ah Kahale, Hana, Maui
16 Tuck Yien, Wailuku, Maui
29 Hop Wao & Co, Makawao, Maui

BOAT.
2 S K Kamaka, Honolulu
7 Keola, Honolulu
21 Dick Williams, Honolulu

BILLIARD.
1 Joaquin Gracia, Wailuku, Maui
15 Jas Jack, Wailuku, Maui

AUCTION.
24 W F Mossman, Makawao, Maui
25 D F Sanford, Hamakua, Hawaii

THE PACIFIC COMMERCIAL ADVERTISER.

Saturday, June 7, 1884.

Editorial Articles.

FROM THE DAILY P. C. A.

We are informed that it was decided in Cabinet Council on Tuesday that it is desirable that the whole subject of banking legislation should be dealt with in a general Act of a comprehensive character, to be introduced to the Assembly as a Government measure. We think that the decision is a wise one, and feel no doubt that the proposed bill will, if modelled as it is likely to be, on the similar legislation of the United States and Great Britain, meet with general approval.

PURSUING the subject of the Bank Charter Bill, we will first call attention to those of its provisions which would give the Bank license to enter into all kinds of business. This part of the Bill surprised us more than any other. It is a notorious fact, which ought to be well known to those who are responsible for the framing of the Bill, that no combination of banking and trading by a chartered corporation ever ended in anything short of a "smash," except among those astute Chinese capitalists whose capacities for business, coupled with their opportunities for "squeezing" their humbler fellow-countrymen, have enabled them through immemorial ages to carry through and make money out of any commercial scheme about which they did not quarrel among themselves. We are not prepared to believe that the promoters of this Bank are so much more clever than other white men, that they would escape the fate of all who, before them, have tried this risky experiment. Even the Bank of England and the National Banks of the United States, which have privileges in excess of their neighbors, are restricted from this sort of thing. In the case of the Bank of England the "issue department" is also made by law a distinct concern

from the purely banking department, so that the reserves which are designed as security for its notes, cannot be touched for the other business which the Bank is allowed to transact. This is the last country in the world in which doubtful financial experiments should be permitted. It is narrow in every sense of the word, narrow in its territorial limits, narrow in the number of its productive resources, narrow in its opportunities for future development. There is no room for a "South Sea Scheme" in these little North Pacific Islands, and if there were, its fate would assuredly be the same as that of its great prototype. We sincerely hope that the promoters of this Bill will abandon all the clauses of Section 6, marked from j to o. We are indeed informed that all they desire is to be properly protected in the matter of advances on consignments and loans secured by chattel mortgages, and copied these clauses from the charter of a leading Californian bank.

The absence of any provision for periodical returns showing the position of the Bank which we find in this bill is in marked contrast to the character of legislation on the subject of banking which obtains elsewhere. The Government itself is bound by law to publish quarterly returns of its transactions and financial position. The American National Banks make monthly returns to the Treasury Department. Throughout the British dominions all banks have to make quarterly returns of a very complete character to the Government, although they have not, with the partial exception of the Bank of England, the privilege of issuing notes on any other than a basis of gold coin. Any bank which asks for the privilege of issuing notes ought to be ready to submit its affairs to public inspection in this way. When that privilege is extended to the issue of notes on security of Government Bonds the further precaution of periodical inspection by a Government official ought to be added.

The definition of "lawful money" in section 21 of this Bill, is either very loosely worded or else it conflicts with the Legal Tender Act of 1876 which only gives a certain minor status to silver coins. There is, we hope, every reason to believe that the Act of 1876 will be revised during the present session of the Legislature. If so it is certain that the limit within which silver will be "lawful money" will be greatly reduced. Five, ten and twenty dollars have each been proposed as a maximum for legal tender in silver. The figure ten has we believe received the endorsement of the Committee of the Legislature to which the Currency Bills have been referred. Whatever the Assembly may decide upon, this session ought to regulate this clause 21 of the Bank Charter Bill, and should be recited in it.

We have yet more to say in regard to this Bill which we reserve for another issue.

THE frequent arrests by the police of parties "having opium in possession" ought, if it is intended to put a stop to the importation of the drug, to lead up to the finding out who are the opium merchants. It is generally admitted that it is imported in various quantities by every vessel from the coast, but the question is, by whom? If it is the intention and desire of the Government to put a stop to its importation, it is about time they took some steps to accomplish their object. As matters stand at present opium is imported in quantities to suit, and so it will continue to be until an efficient staff of revenue officers, both numerically and otherwise, be appointed to carry out the provisions of the law. It can be very little satisfaction to have the gaols filled with

opium smokers, who on being released, will resume their former habits as long as the drug is to be procured. That it is desirable to prevent the laws being openly defied is a proposition that admits of no dispute, and while the police are called upon to make periodical raids upon a few unfortunates, it is none the less incumbent upon the Customs' officials to prevent smuggling. This part of the subject admits of no comment. If an Act is not passed licensing the importation and sale, we will not say manufacture, of opium, it is impossible to over estimate the importance of putting a stop to its being brought into the Kingdom clandestinely. It is unfair, unprincipled and impolitic to lay a bait for a horde of ignorant Chinese, who may happen to be inmates of a room where the drug is found, whilst the principals, that is, the importer by payment of a fee, or a "tip" to the searcher, lands his opium and carries away his coin for same.

Such a state of things does not reflect to the credit of the revenue department, and it is high time this deeply rooted evil, together with its attendant abuses, was abolished.

By private advices receive here a steamer or two ago, it was learned that the missionary brig Morning Star left Jaluit about the middle of February, intending to make a short cruise in the Marshall Group, and then start for home, where she was expected to arrive about the last week in April at the latest.

Mr. Clarke, who arrived here about the middle of April, with the news of the loss of the Julia, reports that Captain Lovell, of the Kaluna, whom he met in the Gilbert Group, February 17th, expected to cruise amongst those islands for about a month, and then start homeward via Jaluit, where he would go for water, about the middle or latter part of March. An average passage from Jaluit, we are informed, is thirty-five days; which, in the case of the Morning Star, would bring her here about the last week in April, as already stated, and the Kaluna ought to have arrived about the same time. It will be seen, then, that both vessels are a month, if not six weeks over due; and we would ask whether it would not be well for the Hawaiian Board of Missions, the Pacific Navigation Company, and the Hawaiian Government to join in chartering a steamer to go in search of the two vessels? One of our inter-island steam vessels could run across to Jaluit in a few days, following a track that might intercept the vessels if they were homeward bound, and affording relief in case they were wrecked.

THE Chamber of Commerce has published its opinion upon the Bill to incorporate the Hawaiian National Bank, and purposes to petition the Legislature to give effect to its views. With a large part of what the Chamber has to say, we are entirely in accord, and have already expressed ourselves freely to the same effect. The more important of the provisions which the Chamber thinks should be contained in any Bank Charter, have our hearty approval, but on some points we think it has gone rather too far. We should only be repeating ourselves if we went over the ground on which we do agree with the Chamber, and shall therefore confine our remarks to-day to those of its views which we think are extreme.

Why should the Chamber recommend that no further Bank Charter bill be laid before the Legislature until definite action shall have been taken in regard to the Currency Laws? The two things will not hinder one another, and may very suitably be considered together. Since the Govern-

ment has let it be made known that it purposes to bring in such a bill, the general feeling of members of the House and of the public will, we think, be that the sooner they have the bill before them the better.

In saying that no bank should be allowed to issue notes the Chamber goes to extremes. There is no more common or more useful feature of modern banking all over the world than the issue of notes payable on demand. What is wanted is provision for as complete security to the noteholder as is obtainable in human affairs. Why should we shut ourselves out in a moment of panic from what has been found a great convenience in every other community? A similar question asked as to the proposition of the Chamber, "the Bank not to have charge of Government funds." Throughout the British Dominions government, all public funds are universally deposited with banks, and with note-issuing banks, too. It is in fact illegal in most British Colonies for public funds of any sort to be retained more than twenty-four hours in the hands of Government or other officials. What works so well elsewhere and is so highly thought of as a safeguard for the public treasure may surely be found of some use or convenience here. More especially will this be the case if the new bank or Bishop & Co., or any other incorporated bank should establish branches at the principal centers of population in the other islands.

We think the objection made arises from want of acquaintance with the subject.

The Chamber desires that "the capital and the term of the charter be defined." If this means that a capital once fixed should never be extended, it is opposed to the best practice elsewhere, and we can see no reason for it. As to the term of the charter, the practice here of taking out charters for business enterprises for a short term of years appears to us to be absurd. If a company wants to drop its undertakings, it can always do so of its own accord, and wind up. It is proposed that the auditors of the company shall not be shareholders. No company ought to be subjected to such an absurd and useless law. It is, we believe, the invariable rule that auditors of a bank's affairs must qualify for the position by being stockholders, and there is sense in the provision. If an outside inspection is wanted, let us have a public officer to do it.

To conclude our criticism, we object to the suggestion that a charter may be applied for without the whole of the proposed capital being subscribed for.

The minimum of one-fourth actually paid in before commencing business has been strongly objected to "on the street" in connection with the bill already before the public, and we are rather surprised that the Chamber of Commerce approves it. There is much to be said on both sides of the question. On the other hand, we have known perfectly sound banks which started business with twenty per cent paid up and took some years to call up the balance, simply because they did not find profitable and safe use for the rest of the money. Nevertheless our own leaning is towards a larger proportion to start with, if a bank is to be allowed to issue notes on security of Government bonds.

While thus objecting to some details of the Chamber's resolutions, details which appear to us to bear the impress of hasty decisions and general want of practical acquaintance with the subject in hand, we heartily commend the main representations contained in the document, and hope it will have due weight accorded to it by the House and the Government.